

# County Connection

2477 Arnold Industrial Way    Concord, CA 94520-5326    (925) 676-7500    countyconnection.com

## ADMINISTRATION & FINANCE COMMITTEE MEETING AGENDA

**Wednesday, August 28, 2013  
9:00 a.m.**

**Hanson Bridgett  
1676 North California Blvd., Suite 620  
Walnut Creek, California**

The committee may take action on each item on the agenda. The action may consist of the recommended action, a related action or no action. Staff recommendations are subject to action and/or change by the committee.

1. Approval of Agenda
2. Public Communication
3. Approval of Minutes of August 7, 2013 Meeting\*
4. CCCTA Investment Policy-Quarterly Reporting Requirement\*
5. PARS OPEB Trust and OPEB Liability\*
6. Review of Vendor Bills, August 2013\*\*
7. Legal Services Statement, June 2013\*\*
8. Adjournment

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\*Enclosure

\*\*Enclosure for Committee Members

FY2013/2014 A&F Committee

Al Dessayer – Moraga, Laura Hoffmeister – Concord, Gregg Manning - Clayton

Clayton • Concord • Contra Costa County • Danville • Lafayette • Martinez  
Moraga • Orinda • Pleasant Hill • San Ramon • Walnut Creek

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY**

## General Information

**Public Comment:** Each person wishing to address the committee is requested to complete a Speakers Card for submittal to the Committee Chair before the meeting convenes or the applicable agenda item is discussed. Persons who address the Committee are also asked to furnish a copy of any written statement to the Committee Chair. Persons who wish to speak on matters set for Public Hearings will be heard when the Chair calls for comments from the public. After individuals have spoken, the Public Hearing is closed and the matter is subject to discussion and action by the Committee.

A period of thirty (30) minutes has been allocated for public comments concerning items of interest within the subject matter jurisdiction of the Committee. Each individual will be allotted three minutes, which may be extended at the discretion of the Committee Chair.

**Consent Items:** All matters listed under the Consent Calendar are considered by the committee to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a committee member or a member of the public prior to when the committee votes on the motion to adopt.

**Availability of Public Records:** All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available for public inspection at 2477 Arnold Industrial Way, Concord, California, at the same time that the public records are distributed or made available to the legislative body. The agenda and enclosures for this meeting are posted also on our website at [www.countyconnection.com](http://www.countyconnection.com).

**Accessible Public Meetings:** Upon request, County Connection will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service so that it is received by County Connection at least 48 hours before the meeting convenes. Requests should be sent to the Assistant to the General Manager Lathina Hill, at 2477 Arnold Industrial Way, Concord, CA 94520 or [hill@cccta.org](mailto:hill@cccta.org).

**Shuttle Service:** With 24-hour notice, a County Connection LINK shuttle can be available at the nearest BART station for individuals who want to attend the meeting. To arrange for the shuttle service, please call Robert Greenwood – 925/680 2072, no later than 24 hours prior to the start of the meeting.

### Currently Scheduled Board and Committee Meetings

Board of Directors:	Thursday, September 19, 9:00 a.m., CCCTA Board Room
Administration & Finance:	Wednesday, October 8, 9:00 a.m. 1676 N. California Blvd., S620, Walnut Creek
Advisory Committee:	Friday, September 13, 9:30 a.m., CCCTA Board Room
Marketing, Planning & Legislative:	Thursday, September 5, 8:00 a.m., 3338 Mt. Diablo Blvd. Lafayette, CA
Operations & Scheduling:	Friday, September 6, 8:00 a.m., Walnut Creek City Offices

**The above meeting schedules are subject to change. Please check the County Connection Website ([www.countyconnection.com](http://www.countyconnection.com)) or contact County Connection staff at 925/676-1976 to verify date, time and location prior to attending a meeting.**

**This agenda is posted on County Connection's Website ([www.countyconnection.com](http://www.countyconnection.com)) and at the County Connection Administrative Offices, 2477 Arnold Industrial Way, Concord, California**

Administration and Finance Committee  
Summary Minutes  
August 7, 2013

The meeting was called to order at 9:00 a.m. at the Walnut Creek offices of Hanson Bridgett. Those in attendance were:

Committee Members: Director, Board Al Dessayer  
Staff: General Manager Rick Ramacier  
Director of Finance Kathy Casenave  
Director of Planning Anne Muzzini

Public: Ralph Hoffman

1. Adoption of the Agenda- Approved.
2. Public Communication- Mr. Hoffman noted a newspaper article referencing a fare evasion problem at Tri Delta and how the switch to electronic tickets has solved the problem.
3. Summary Minutes of July 3, 2013 meeting- Approved.
4. Mid-Day Free Fares for Senior and Disabled- Director Muzzini reported that the Marketing and Operations Committee is interested in bringing back the mid-day free fare for seniors and disabled that was discontinued in 2009 when a significant drop in tax revenue resulted in service cuts and fare increases.  
The rationale for doing so would be to encourage this category of riders to use the fixed route system rather than the Paratransit service and shift more riders to non-peak times. The decrease in fare revenue would be about \$70,000 annually.  
The downside is that no other transit properties in the Bay Area are offering this and there is a push to providing more fare coordination in the region.  
The Committee decided to forward this to the Board for directors input.
5. Review of Vendor Bills, July 2013- The committee reviewed the vendor bills.
6. Legal Services Statement, May 2013, Labor; June 2013 General - Approved.
7. Adjournment- The meeting was adjourned. The next meetings will be August 28 and October 8 at 9:00 am at the Hanson Bridgett offices in Walnut Creek.

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Kathy Casenave, Director of Finance

**TO:** A & F Committee

**DATE:** August 20, 2013

**FROM:** Rick Ramacier  
General Manager

**SUBJECT:** CCCTA Investment Policy – Quarterly Reporting Requirement

Attached please find CCCTA's Quarterly Investment Policy Reporting Statement for the quarter ending June 30, 2013.

This certifies that the portfolio complies with the CCCTA Investment Policy and that CCCTA has the ability to meet the pool's expenditure requirements (cash flow) for the next six (6) months.

**CCCTA**  
**BANK CASH AND INVESTMENT ACCOUNTS**  
**(ROUNDED OFF TO NEAREST \$)**

FINANCIAL INST	ACCT #	TYPE	PURPOSE	PER BANK	PER BANK	PER BOOK
				MARCH 2013	JUNE 2013	JUNE 2013
<b>FIXED ROUTE</b>						
First Republic Bank	1106171	<b>CHECKING</b>	A/P General Account-Fixed Route	\$ 412,924	\$ 455,877	\$ (96,151)
First Republic Bank	1106198	<b>CHECKING</b>	PAYROLL	\$ 93,368	\$ 102,882	\$ 102,728
First Republic Bank	1015001	<b>CHECKING</b>	CAPITAL PURCHASES	\$ 37,624	\$ 43,381	\$ (113,972)
First Republic Bank	1402595	<b>CHECKING</b>	WORKER'S COMP-CORVEL	\$ 37,067	\$ 49,755	\$ 39,496
First Republic Bank	1106228	<b>CHECKING</b>	PASS SALES	\$ 54,920	\$ 500	\$ 500
First Republic Bank	800-0035-2386	<b>Money Market</b>	Prop-2B Safety & Security#2(2386)	\$ 86,038	\$ 86,049	\$ 86,049
First Republic Bank	800-0066-1158	<b>Money Market</b>	Prop-2B Safety & Security#3(1158)	\$ 6,965	\$ -	\$ -
First Republic Bank	80000971847	<b>Money Market</b>	OnBoardCam-TSGP 2011	\$ 83	\$ 53	\$ 83
First Republic Bank	80000971896	<b>Money Market</b>	OnBoardCam-TSGP 2012	\$ 116,920	\$ 116,935	\$ 116,935
PAYPAL	27SAXUUFL9732	<b>CHECKING</b>	PAYPAL-PASS SALES	\$ 5,729	\$ 4,641	\$ 4,641
<b>TOTAL</b>				<b>\$ 851,636</b>	<b>\$ 860,073</b>	<b>\$ 140,310</b>
<b>PARATRANSIT</b>						
First Republic Bank	1049584	<b>CHECKING</b>	CAPITAL PURCHASES	\$ 3,519	\$ 3,519	\$ 3,519
First Republic Bank	1106244	<b>CHECKING</b>	A/P General Account-Paratransit	\$ 461,909	\$ 509,499	\$ 94,584
<b>TOTAL</b>				<b>\$ 465,428</b>	<b>\$ 513,018</b>	<b>\$ 98,103</b>
<b>LAIF FUND</b>						
LAIF ACCOUNT	4007001	<b>INT-INVEST</b>	OPERATING FUNDS	\$ 6,695,107	\$ 3,998,348	\$ 3,998,348
LAIF ACCOUNT		<b>INT-INVEST</b>	Fixed Route Bus Purchase-ITS	\$ -		
LAIF ACCOUNT		<b>INT-INVEST</b>	Pacheco Transit Center	\$ 704,519	\$ 705,009	\$ 705,009
LAIF ACCOUNT		<b>INT-INVEST</b>	Rolling stock-2012	\$ 1,465,893	\$ 1,466,916	\$ 1,466,916
LAIF ACCOUNT		<b>INT-INVEST</b>	Rolling Stock-1011 VANS	\$ 1,103,398	\$ 1,104,166	\$ 1,104,166
LAIF ACCOUNT		<b>INT-INVEST</b>	Martinez Stop Project	\$ 67,576	\$ 67,623	\$ 67,623
LAIF ACCOUNT		<b>INT-INVEST</b>	Facility Rehab	\$ -	\$ 3,875,982	\$ 3,875,982
LAIF ACCOUNT		<b>INT-INVEST</b>	SAFE HARBOR LEASE RESERVE	\$ 1,435,720	\$ 1,436,720	\$ 1,436,720
<b>TOTAL</b>				<b>\$ 11,472,213</b>	<b>\$ 12,654,764</b>	<b>\$ 12,654,764</b>
<b>CCCTA EMPLOYEE</b>						
First Republic Bank	1402153	<b>INT CHECK</b>	EMPLOYEE FITNESS FUND	\$ 9,687	\$ 10,372	\$ 10,372
<b>TOTAL</b>				<b>\$ 9,687</b>	<b>\$ 10,372</b>	<b>\$ 10,372</b>
<b>GRAND TOTAL</b>				<b>\$ 12,798,964</b>	<b>\$ 14,038,227</b>	<b>\$ 12,903,548</b>

8/21/2013 13:55

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This is to certify that the portfolio above complies with the CCCTA Investment Policy and that CCCTA has the ability to meet its expenditures( cash flow) for the next six months.

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Rick Ramacier  
General Manager

To: Administration and Finance Committee

Date: August 19, 2013

From: Kathy Casenave, Director of Finance

Reviewed by:

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### SUBJECT: PARS OPEB TRUST AND OPEB LIABILITY

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#### Summary of Issues:

Staff recently received the PARS Annual Account Report for the period 7/1/2012 to 6/30/2013.

The transactions for FY 2013 were:

July 1, 2012 Beginning Balance	\$891,590
Earnings	49,336
Expenses	-7,095
FY 2013 contribution	<u>232,000</u>
June 30, 2012 Ending Balance	<u>\$1,165,831</u>

The A&F Committee selected the Moderately Conservative Index PLUS investment option. The dual goals of this strategy are current income and moderate capital appreciation. The major portion of the assets is committed to income-producing securities. The allocation for this option is 20-40% equity, 50-80% fixed income and 0-20% cash.

The investment rate of return for FY 2013 was 5.62%. FY 2012 it was 4.55%; for FY 2011, the first full year of the trust, it was 8.77%. The 3 year annualized return is 6.30%.

The current actuarial valuation report, dated January 4, 2012, uses a 5.5% discount rate and is the basis for reporting OPEB liabilities for the FY 2012 and FY 2013 financial statements. The Annual Required Contribution is \$344,127, which consists of the actual amount paid for retiree medical premiums during the fiscal year and the accrued expense to fund future years. Although there is no requirement to actually fund the ARC, it has been Board policy to do so. The FY 2013 amounts:

Medical Premiums Paid for Retirees	\$128,264
Contribution to PARS trust	<u>232,000</u>
Total Retiree Medical Costs paid	360,264
ARC	344,127
Overpayment for FY 2013	16,137
OPEB Liability as of June 30, 2012	<u>3,209</u>
Overpayment Carryover to FY 2014	<u>\$12,928</u>

A new actuarial valuation will be prepared by January 2014 and the ARC calculated in that report will be used for the FY 2014 and FY 2015 financial statements.

**RECOMMENDATION:**

Staff requests that the Committee discuss whether to retain the current investment rate of return of 5.5% for the upcoming actuarial valuation. Andrew Brown, the PARS investment manager, can meet with the committee at a future date to discuss this, as well as discuss in greater detail the current investment portfolio.

**OPTIONS:**

- 1.) Retain the 5.5% investment rate of return
- 2.) Change the investment rate of return
- 3.) Consult with investment manager or actuary at a later time before making a decision.